



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 99-01

DATE: January 22, 1999

SUBJECT: 1999 Turn-Back Water
Pool Program

FROM:

Stephen S. Kashiwada
Acting Director, Department of Water Resources

The Department of Water Resources is offering the opportunity to sell allocated 1999 entitlement water through two turn-back water pools to interested contractors who have signed the Monterey Amendment. There will be a Pool A and Pool B. The procedures for administering the program are described in Article 56 of the long-term Water Supply Contracts. A participating State Water Project contractor may sell allocated 1999 entitlement water that it will not use within its service area, provided that (1) the contractor has not elected to store project water outside its service area in 1999, and (2) the contractor has not elected to carry over entitlement water.

To participate in the program either as a seller or buyer, a SWP contractor must agree to the terms and conditions in this notice and attachment, sign and date the attachment, and mail the attachment to Donald R. Long, Chief, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001. Signed and dated attachments must be received by February 15, 1998. Last-minute submittals should be faxed to (916) 653-9628.

A graphical timeline of the program is included for your reference. If you have any questions about this program, please contact Don Long at (916) 653-4313 or Tom Hanson at (916) 653-0190.

Attachments

1999 Turn-Back Water Pool Program

Criteria

1. The program is available to contractors that have signed the Monterey Amendment. The 1999 turn-back pools are subject to Article 56 of the long-term Water Supply Contracts.
2. Sales and purchases of turn-back water by participating contractors shall not affect the allocation of entitlement water to contractors in 1999.
3. The Department may limit or delay delivery of turn-back water due to limits on operational capacity in State Water Project facilities or due to changed operational conditions.
4. Delivery priority of turn-back water will be the same as entitlement water (Priority 1) as described in Article 12(f) of the long-term Water Supply Contract, so long as the total amount of project water does not exceed the contractor's 1999 Table A entitlement. Delivery priority of turn-back water when the total amount of project water exceeds the contractor's Table A entitlement will be Priority 6.
5. Turn-back water may be stored outside of the purchasing contractor's service area for later use in the contractor's service area, consistent with Article 56. The location of this storage may be inside or outside of the State Water Project service area, but must be consistent with water rights permits for the State Water Project.

Scheduling and Charges

6. A contractor offering to sell turn-back water in Pool A must notify the Department in writing on or before February 15 (see attached letter for acceptable notification format). Since February 15 falls on a holiday, offers for selling turn-back water can be faxed to the State Water Project Analysis Office at (916) 653-9628. The Department will notify all participating contractors of the availability of water through Pool A on or before February 19.
7. A participating contractor willing to buy turn-back water through Pool A must submit its written request to the Department on or before March 1. Requests for purchasing turn-back water may be faxed to SWPAO at (916) 653-9628. The price for such water will be \$11.79 for each acre-foot of water purchased (50 percent of the Delta Water Rate).
8. All sales and purchases through Pool A are irrevocable even if the Department reduces entitlement allocations on or after February 15.

9. The Department will notify all participating contractors of Pool A sales on or before March 5. For any water that remains unsold in Pool A, the offering contractor may amend its offer to sell its share of unsold water in writing no later than March 15.
10. A contractor offering to sell turn-back water in Pool B must notify the Department in writing on or before March 15 (see attached letter for acceptable notification format). Offers for selling turn-back water may be faxed to SWPAO at (916) 653-9628. Pool B water will consist of turn-back water offered after February 15 and on or before March 15, and any unsold water from Pool A which was not canceled by March 15. The Department will notify all participating contractors of the availability of water through Pool B on or before March 19.
11. A participating contractor willing to buy turn-back water through Pool B must submit its written request to the Department on or before April 1. The price for such water will be \$5.90 for each acre-foot of water purchased (25 percent of the Delta Water Rate).
12. If the Department reduces or increases entitlement allocations between March 15 and April 1, the amount of water available through Pool B will be reduced or increased by the amount of the seller's change in approved allocations.
13. The Department will notify all participating contractors of Pool B sales on or before April 5. For any water that remains unsold in Pool B, the offering contractor may cancel its offer to sell its share of unsold water in writing no later than April 14.
14. If the Department reduces entitlement allocations between April 1 and April 15, and there is no unsold Pool B water remaining on April 15, the Pool B sales for each seller will be reduced by the same amount which the seller's approved allocations are reduced and the Department will reallocate the sales and purchases of Pool B and notify all participating contractors by April 20.
15. No reallocation of sales or purchases will be done after April 15.
16. The Department shall decide on April 15 whether to purchase any portion of unsold Pool B water remaining on that date.
17. A contractor selling or purchasing turn-back water will be required to enter into written agreements with the Department.

18. A contractor purchasing turn-back water should submit its revised delivery request to the Department as early as possible after being allocated the turn-back water.
19. The purchasing contractor shall pay the Department the 1999 Transportation Variable Operations, Maintenance, Power, and Replacement Component charges and the Off-Aqueduct Power Facilities Charges for turn-back pool water delivered, as described in Article 56(d)(7).
20. The 1999 turn-back water pool program shall not be a precedent for future programs.

In order to sell or purchase turn-back water under Article 56 of the contractor's long-term Water Supply Contract, please sign below in the space provided and return this attachment to the State Water Project Analysis Office. A contractor's signature indicates acceptance of the criteria, procedures, and charges for this program.

ACCEPTED:

AGENCY:

DATE:

AUTHORIZED REPRESENTATIVE:

Attachment A
(Written Notice Example)

DATE

Mr. Donald R. Long, Chief
State Water Project Analysis Office
Department of Water Resources
Post Office Box 942836
Sacramento, California 94236-0001

Dear Mr. Long:

Enclosed is the signed 1999 Turn-Back Water Pool Program attachment to the State Water Project Contractor Notice No. 99-01, indicating the Agency's acceptance of the criteria, procedures, and charges for this program.

For Pool A, the Agency is offering to sell _____ acre-feet. For Pool B, the Agency is offering to sell the portion of its 1999 entitlement allocation in excess of _____ acre-feet, minus what the Agency sells in Pool A.

If you have any questions, please call _____ at _____.

Sincerely,

Name
Title

Enclosure

POOL "B"

